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# A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT OF ILA

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Customer relationship management (CRM) has become a necessary tool for survival and development of enterprises. However, in Vietnam the awareness of CRM is not enough that the implementation of CRM is difficult and limited. This thesis is aimed to bridge the gap between the theories and practice on CRM by reviewing relevant theories and researching on the application CRM in ILA. In this thesis, literatures relevant were reviewed and the research process is illustrated in details as well. Using the results of the conducted survey and interviews; current conditions of applying CRM activities in ILA were analyzed and assessed; then existing problems were pointed out with their causes. The paper continues with necessary and feasible solutions recommended to improve the effectiveness of management the customer relationship in ILA with detailed plan of actions finally.

## INTRODUCTION

### **1. The thesis title**

A study on Customer relationship management of ILA

### **2. The thesis necessity**

After four years of operation, ILA Hanoi has not been known city-wide. Thus, it is a necessity to have a suitable system of managing customers to get the loyalty from the existing customers of ILA, to remain the service quality and fulfill the programme design, to motivate the employees to contribute for the customer relationship management of company honestly.

### **3. Objectives**

The objectives of this thesis are:

- (a) Review and summarize the theory of Customer relationship management
- (b) Apply the reviewed literature to analyze and access the managing customer relationship in ILA now

- (c) Propose some recommendations to enhance the customer relationship management in ILA, contributing to the tangible and intangible profit of the company

#### **4. Scale of sample**

Sampling unit: ILA staff, current students and alumni

Sampling size:

ILA staff	50
ILA current student	200
ILA alumni	50

Sampling process: During 3 months, the author conduct the interview (both collecting questionnaire and directly interview)

#### **5. Type of research**

Descriptive and analytical research

#### **6. Research approach**

Deductive (with support of quantitative and qualitative)

#### **7. Data sources and Processing**

Primary data was collected from questionnaire and interview. Secondary data has been performed by research of documents, annual/quarterly reports of ILA and internet.

#### **8. Research method**

Case study

Survey method using questionnaire, Interview focus group.

#### **9. Research questions**

- (a) Which theories can be applied in Customer relationship at ILA
- (b) What current situation of Customer relationship management at ILA
- (c) How to improve Customer relationship management at ILA

#### **10. Significance**

This research benefits ILA in recommendation to apply method of increasing loyal customers, from that increase the reputation and improve the revenue.

#### **11. Limitations**

Small scale of sample in interview and questioning; the method of managing CRM requires a certain standard of software; runing the research on products offered to individual, not corporate field.

#### **12. Expectation**

The same methodology can be applied in the scenario of other companies in inspection industry with little adjustment.

### **13. Disseminations**

The findings in theory will help both parties to reach the right target in supplying English training service and being satisfied by service quality.

### **14. Follow-up**

Further study will be taken on improvement of implementation CRM based on the experience and achievements of using and perfecting in large range. Other way of study will be analyzing the impact of the competition of other English centers and require the steps of avoiding and get over the unexpected impacts.

### **15. The thesis structure**

Chapter 1: Literature review

Chapter 2: Analysis and assessment on the customer relationship management in ILA

Chapter 3: Recommendations to improve the customer relationship management in ILA

## CHAPTER 1. LITERATURE REVIEW

### 1. Conception of Customer relationship

#### 1.1 Root of relationship

Katherine Lemon with Don and Martha in their working paper “Managing the customer lifetime value: The role of learning relationships” said that learning relationships brings benefits for both customers and company. Root of relationship between customers and enterprises is the interest satisfied both parties.

#### 1.2 Characterize of relationship

Don and Martha listed some characteristics of a relationship between an enterprise and a customer. (1) Mutuality; (2) Be driven by interaction. (3) Iterative in nature; (4) Be driven by an ongoing benefit to both parties; (5) Require a change in behavior of both parties to continue; (6) Uniqueness, (7) Trust.

#### 1.3 Relationship – value of company

In the book Managing customer relationships, 2004, Don Peppers and Martha Rogers said that: “The goal of every enterprise is simply to get, keep, and grow customers”. According to Michael Treacy and Fred Wiersema (The discipline of market leaders, 1995), whether a business focuses its efforts on product innovation, operational efficiency and low price, or customer intimacy, that firm must have customers.

Exhibit 1.1 is the reference about increasing the value of the company through specific customer strategies.

Acquire profitable customers	GET
Retain profitable customers longer; Win back profitable customers; Eliminate unprofitable customers	KEEP
Unspell additional products in a solution; Cross-sell other products to customers; Referral and word-of-mouth benefits; Reduce service and operational costs	GROW

Exhibit 1.1 Increasing the value of the customer base

The author came to the statement: Enterprises determined to build customer relationships begins with: (1) A strategy or an ongoing process that helps transform the enterprise from a focus on traditional selling or manufacturing to a customer focus; (2) The leadership and commitment necessary to cascade the thinking and decision-making capability throughout the organization that puts customer value and relationships first.

## **2 Customer relationship management (CRM)**

### **2.1 Definition of CRM**

Don and Martha said: "Customer relationship management is a comprehensive approach for creating, maintaining and expanding customer relationships". I totally agree with two authors that CRM need to be comprehensive way because it does not belong to sales and marketing or the customer service group. While businesses will continue to expand their client base, they must also focus on keeping and growing their best clients.

### **2.2The use of CRM during times**

The 1980's saw the emergence of database marketing: what they buy regularly, what they spend, what they do.

In the 1990's companies began to improve on CRM by making it more of a two-way street. They began giving back to their customers incentives, gifts and other perks for customer loyalty.

Real CRM as it's thought of today became a way to continuously update understanding of customer needs and behavior leading to increased customer satisfaction from order to end product.

## **3 The importance of CRM toward corporations**

### **3.1 Benefit of CRM**

If customer relationships are the heart of business success, then CRM is the valve the pumps a company's life blood.

For business:

- A major benefit can be the development of better relations with existing customers, which can lead to: (1) Increased sales; (2) Identifying needs; (3) Cross-selling; (4) Identifying profitable customers
- This can lead to better marketing of your products or services by focusing on: (1) Effective targeted marketing communications; (2) A more personal approach and the development of new or improved products and services; (3) Collecting data helps the company to organize marketing campaigns and to formulate business strategies; (4) Enhanced customer satisfaction and retention; (5) Reducing total cost of sales; (6) Improved profitability by focusing on the most profitable customers

For customers:

Customers know more clearly about enterprise and are served attentively.

For managers:

Enterprises discover threats, hidden risks to give out timely solutions. CRM also helps manager to evaluate job performance of employees.

For employees:

CRM allows staff to manage time and work effectively, helps them understand customers' information to contact and take care customers and make reputation for company and make customers retention.

### 3.2 CRM success factors

According to Kristin Anderson and Carol Kerr, Customer relationship management, 2002, while clear intention fuels the power of CRM, there are several other success factors to consider.

- Employees at all levels and all areas accurately collect information for the CRM system.
- It is not necessary to use complicated solution when simple solution does.
- CRM tools are customer-and employee-friendly.
- Report data need to be used, use data reported.

### 4 Basic model of CRM

Russell established a model in his paper with a major purpose of providing a managerially useful, end-to-end view of the CRM process from a marketing perspective containing a set of 7 basic components:

#### Step 1: Creating a Customer Database

#### Step 2 Analyzing the Data

A new term, *lifetime customer value or LCV*, has been introduced into the marketers.

$$\text{Profit that customer = } \frac{\text{sum of the margins of all the products purchased over time}}{\text{cost of reaching that customer (*)}}$$

(\*): These costs include any that can be broken out at the individual customer level such as direct mail, sales calls, etc.

This obviously requires assumptions about future purchasing, product and marketing costs, how long the customer can be expected to remain with the firm. Other kinds of data analyses besides LCV are appropriate for CRM purposes. Marketers are interested in what products are often purchased together, often referred to as market basket analysis.

#### Step 3 Customer Selection

#### Step 4 Tools for targeting the Customers

#### Step 5 Relationship Programs

A comprehensive set of relationship programs includes

#### ***Program 1 Customer Service***

Programs designed to enhance customer service are normally of two types: *Reactive* and *Proactive*. Peppers and Rogers outline a four-step framework for one-to-one marketing that can be adapted to CRM marketing as



follows: *Identify* your prospects and customers. *Differentiate* customers in terms of (1) their needs and (2) their value to your company. *Interact* with individual customers to build stronger relationships. *Customize* products, services, and messages to each customer.

***Program 2 Loyalty/Frequency Programs***

***Program 3 Customization***

***Program 4 Community***

Step 6 Privacy Issues

Step 7 Metrics for measuring the success of the CRM program

All of these measures imply doing a better job acquiring and processing internal data to focus on how the company is performing at the customer level.

## CHAPTER 2. ANALYSIS AND ASSESMENT ON CUSTOMER RELATIONSHIP MANAGEMENT AT ILA

### 2.1 About ILA

#### 2.1.1 Introduction about ILA

ILA is one of the earliest wholly foreign owned education and training company in Vietnam. In 2000, Tony William and Mark established ILA offering a broad range of high quality training programme and services to individuals and organizations throughout Vietnam, including: (1) English language programmes (for children, teenagers and adults); (2) University pathway programmes (in co-operation with Martin College in Australia); (3) Corporate training; (4) Teacher training (Celta, Delta, Celyl) for native speakers; (5) Overseas study consultancy and placement services

#### 2.1.3 ILA principle

ILA Vision: To become a high profile, high volume, professionally managed education and training company,

ILA Value: (1) The quality of the products / services we provide to our customers; (2) Employee satisfaction and development; (3) Efficiency in our business operations

ILA Mission: To be recognized, by local and international communities, as the leading independent provider [by volume and quality] of education and training products and services in Vietnam

#### ILA Cultures

*People:* as greatest asset, personal qualities: honesty, ambition, dynamism, opens mindedness, integrity, loyalty, dedication and hard work.

*Work place:* professional, multicultural environment, equal opportunities to all of our people.

*For customer:* provide superior products and services, appropriate to customer needs,beyond their expectations.

*Community:*legally, transparently, honestly and with a high degree of integrity

### 2.2 Assessment on Customer relationship management in ILA

#### 2.2.1 Research method description

To build Customer relationship management, it should need two parties, ILA and customers. Thus, the author conducted the research with both two parties. With the primary information, the author use survey and interview method flow as below:

Primary information	Secondary information
Designing Questionnaire	
Issuing and collecting Questionnaire	Collecting reports

Directly interviewing	
Generalize and summarize survey results	Generalize and summarize data
Analyzing survey results	Analyzing data
Analyzing possible reasons	
Listing possible solutions	
Filtering out the most appropriate solutions	
Building up the plan of actions	

### 2.2.2 Description of the Research process

a) *About the questionnaire and interview:* The author used the elements stated in Chapter 1 Literature review part to design questions about the knowledge about CRM of ILA staff and customers.

b) *About the report research:* (1) Data about get, keep and grow customers; (2) Customers' complaint

c) *Evaluating mode:* The evaluation for each question is from 1 to 5 point, regarding to the criticism of respondents from very bad, bad, neutral, good to very good.

d) *Survey collection and results*

The author delivered the questionnaire to 50 people working for ILA and received nearly 84% of responses.

Department	Job title	No of Staff	Response
Academic	Academic manager	1	1
	Teacher	15	13
	Teaching assistant	20	15
	Total	36	29
Business	Training centre manager	1	1
	Marketing executive	1	1
	Program executive	1	1
	Program officer	4	3
	Front office supervisor	1	1
	Program advisor	3	3
	Security	1	1
	Cleaner	2	2
	Total	14	13

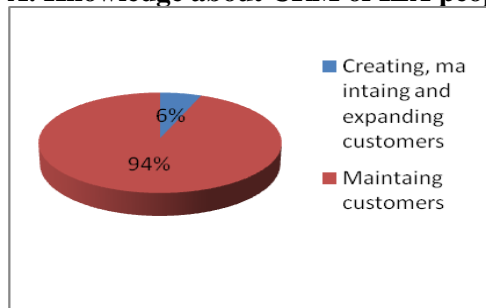
Table 2. 1 Number of responded questionnaire

The business group pay more attention on how to get the smooth relationship with customers to maintain the increasing revenue than the academic group.

### 2.2.3 The research survey and results

#### 2.2.3.1 For ILA people

##### A. Knowledge about CRM of ILA people



Only 6% of the staff belonging to Business group considered CRM is the long process of understand, keep and widen the range of customers. The majority just think CRM is the task for maintaining current customers.

Figure2. 1 ILA's perception about CRM

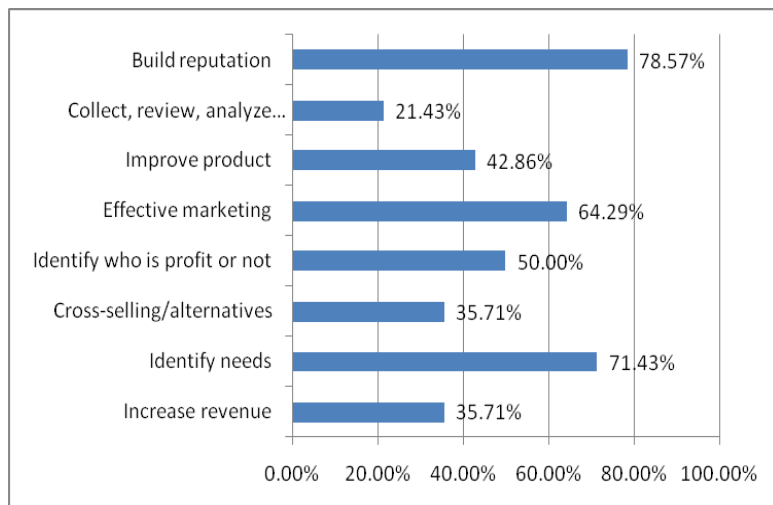


Figure 2. 2 The benefit of CRM for business operation

Three highest value of CRM are building reputation (78.57%), effective marketing (64.29%) and identifying needs (71.43%). Over 64% of them know what important of CRM to marketing activities, over 71% of them use CRM to clarify customers' needs. However, over 64% of them do not

know that CRM is the tool for them to sell alternatives to customer. 35.71% of them see that revenue will be increased if company run a CRM system. Over 78% of people do not see that CRM is the tool to collect, review and analyze data.

## **B. The management condition of customer relationship at ILA based on Business group's view**

### **a) The use of CRM**

40% of participants answered using CRM at ILA is good. 30% could not give out the criticism. 40% choose very good.

### **b) Developing and protecting database**

A quite large part of customers' information was stored in excel files. It is not safe and very complicated for staff to update the

### **c) The function of management software used at ILA**

80% of responses are not happy with the Schoolsoft (the management software used at ILA) because of lacking of some function

## **2.2.3.2 For customers**

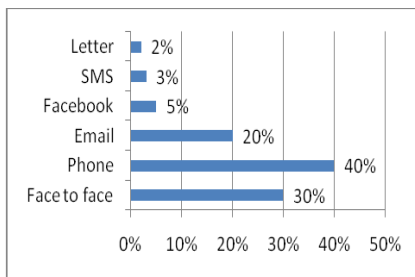
### **a) The tools used to get information about ILA**

Channel	No	%
Press	2	0.32%
Advertorial	1	0.16%
Flyer distribution	3	0.48%
Online Ad	1	0.16%
ILA website	121	19.24%
TV pop-up	2	0.32%
Banner	4	0.64%
Friend/relatives	421	66.93%
Promotion	32	5.09%
Other	42	6.68%
Total	629	100.00%

Table 2.2 Tools to get ILA information

Easily see that the method ILA used actively to attract people does not work. Majority of people who visit ILA choose the item By friend-relative recommendation (66,93%). It is the fact that other tools to attract students being used at ILA costed money but the result did not come as expectation (TV pop-up, Press, Advertorial). Potential people come to ILA individually after get basic information from acquainting. If the information from their friends is bad experience, they will eliminate ILA instantly.

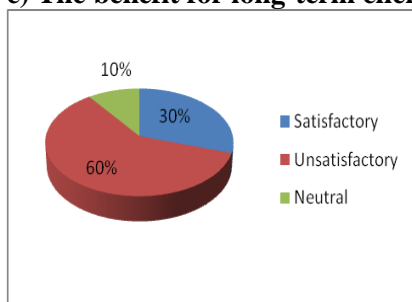
### **b) The satisfaction of customers about that method or communication used by ILA**



40% of customers prefer to get phone as the way for ILA contact them. 30% of them want to talk face to face. 20% consider email is the best tools to connect. Just 5% of students like Facebook

Figure 2.3 Satisfaction about ILA's communication

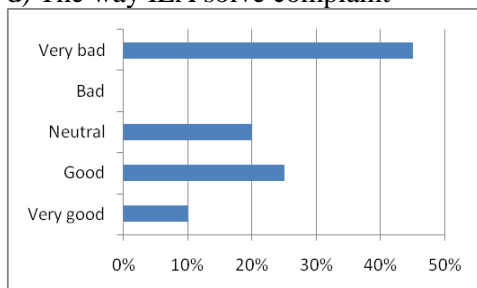
### c) The benefit for long-term client of ILA



ILA is using some promotion and discount policy for loyal and current students such as family discount, re-enrolment discount, VIP discount, Bring friends vouchers, University card discount, holiday policy, etc. 60% of current students (and parents of young learners) think that the promotion and policy which ILA offer them do not make them satisfied.

Figure 2.4 Satisfaction about loyalty

### d) The way ILA solve complaint



There are many students who have not ever spoken out their complaint but in the survey, they answered honestly. 45% of students saw nothing changed after their representative complained for examples, change teacher, make-up lessons, etc.

Figure 2.5 Judgment ILA's problem solving

Just 25% of them think ILA solved problems well which are just related to value added. Students said ILA just focuses on profit, does not care students' convenience.

## **2.2.4. Interview result**

### **2.2.4.1. For ILA staff**

a) Comparing ILA's CRM to other English centers

From the reports after spying, the top manager recognize what strength, weakness of competitors in CRM.

b) Personal opinion in approaching new customers

Normally, staff feel stressed because of overload work in short time. Top manager would like to use campaigns which deployed in universities, schools because of tight budget. Staff wants ILA to be sponsor for events because personal sales are no longer good method to get new students.

c) Personal opinion in caring current customers

VIP list: Top manager did not check VIP list frequently.

Complaints: 100% of staff have received customers complaint.

Effort in work: Top manager is not sure about the effort of staff as clear as line manager.

d) Criticizing ILA policy in CRM

Cultures of other location are not the same. So, ILA should study culture of each province before running any promotion.

### **2.2.4.2. For customers**

a) Choosing ILA: Majority of people who come to ILA are introduced by friends.

b) Being cared: (1) Students were offered to use Independence learning center freely. (2) ILA calls students every month. (3) Customers admitted to be called to informed new promotion even they left ILA.

c) Complaints: (1) ILA did not solve academic issues immediately and use unhelpful explanation. 100% of interviewed people agree that the answer skill of staff is very good although content of those answers do not satisfy them due to ILA strict policy. (2) Best student should be got discount for next course or gift. Parents want to use report book instead of online report, students still prefer doing homework with books than online learning.

d) Leaving ILA: (1) Teaching methods for adults' courses. (2) Students who left ILA listed the reasons for their leaving are: financial difficulties, busy, unsuitable schedule, non progress...

## **2.2.5 Report research**

### **2.2.5.1 CRM with getting, keeping and growing customer activities**

During the period of 6 months from October 1, 2010 to March 31, 2011, the numbers of students visited as below:

Programme	Test	Visit	%
<b>Jumpstart</b>	84	105	80%
<b>Juniors</b>	265	205	129%
<b>Senior</b>	80	55	145%
<b>Elite</b>	62	39	159%
<b>Adult</b>	223	241	93%

Table 2.3 Visitors based on programmes

For Jumpstart, there are 105 kids visited ILA. 80% of those kids have the speaking test. With Juniors, Senior and Elite, the number of placement test is bigger than the number of visit students. The figure points out that many visit students have not do the placement test at the time they visit

For Adult students, 93% of them take the placement test. Is it an absolutely positive thing. Let's see how many of them decide to pay ILA for English courses.

	Visit	New sales	%
<b>Jumpstart</b>	105	57	54.29%
<b>Juniors</b>	205	142	69.27%
<b>Senior</b>	55	43	78.18%
<b>Elite</b>	39	10	25.64%
<b>Adult</b>	241	97	40.25%

Table 2.4 New sales based on programmes

Seniors is the programme having the highest new sales number. Elite is the programme being at the bottom of this area.

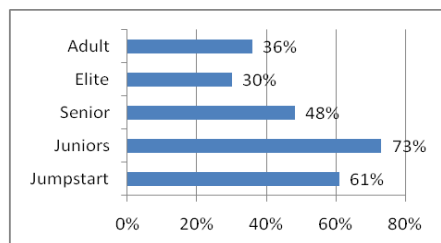


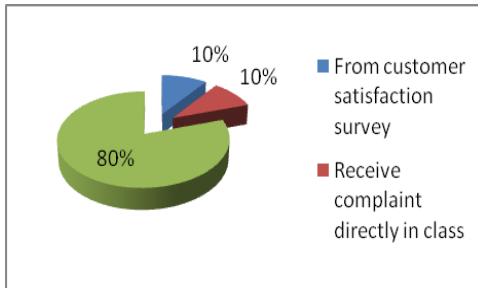
Figure 2.6 Re-enrolment based on programmes

Juniors programme become the best one in having re-enroll students (73%). Just 36% of Adult students study next course.

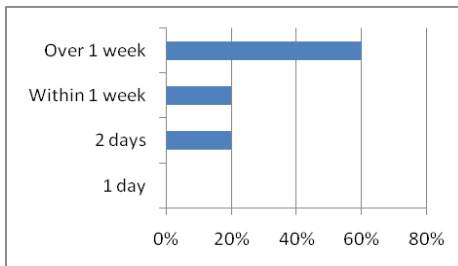
## 2.2.5.2 Problem solving



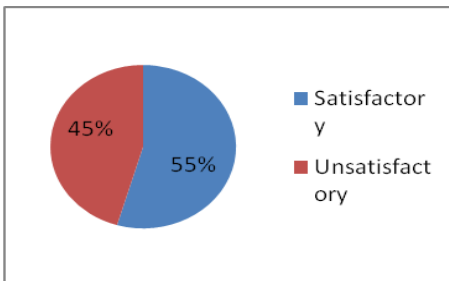
## The way to receive comments from students



80% of complaints are received passively and they are very serious problems whereas ILA staff totally could get them right after problems occur. The rest 10% of received complaints is just activity to make clear the happened problems, not the first time to diagnose problems.



From the ILA staff, they need over one week to solve 60% problems because of the complication in inflexible policy. No complaint could be solved within one day. 20% of complaints are handled from 2 days to one week.



Just 55% customers satisfied with the way ILA solve problems. This figure says that problem solving of ILA is not appropriate leading to the trust index decreased.

Figure 2. 9 Satisfaction about problem solving

### 2.2.6. Current loyal programmes

#### 2.2.6.1. VIP customers

ILA has not got customers categorization system. At this moment, ILA is choosing VIP customers who reach some criteria as below: (1) Two or more member of a first family studying in ILA (completed at least 2 courses); (2) A person who introduce four people to study in ILA

(completed one course); (3) That person completed at least 4 courses in ILA  
(4) That person is key person in some schools and universities.

In 2010, people who own VIP card were offered 15% of discount for any course, introducees would be offered 15% of discount for the first course. However, there is no loyal programme for people in VIP list now.

#### **2.2.6.2. Some programmes for current and new students**

(1) Bring a friend: 500,000 VND for both introducer and introducee after introducee paid a course; (2) New school year, Christmas, Summer: discount up to 30% for students who paid in that launch month, however, the amount of discount depends on the vacancy of class, shift and timing; (3) Lucky draw: one student gets on lucky draw, the prizes could be Ipad, Iphone, recorder, scholarship, etc; (4) Gift: helmet, backpack, Lock&Lock water bottle, etc

## **CHAPTER 3 RECOMMENDATIONS TO IMPROVE THE CUSTOMER RELATIONSHIP MANAGEMENT AT ILA**

### **3.1 CRM – Training programme for ILA people – Create a CRM view**

CRM is not only the duty of low or middle level staff, but first of all, it is the responsibility of the highest level managers. If top managers do not take ownership this ILA's CRM project, it is very difficult to deploy CRM system.

Person in charge: Professional trainer. The head of each departments has the responsibility to train staff.

Content of training lesson:

a) The most acceptable definition of CRM to ILA: CRM concerns the relationship between the organization and its customers. (1) ILA needs to make a profit to survive and grow and (2) Customers want good service, a quality product and an acceptable price

b) Main income source of ILA: current students, so keeping customers beside finding and enlarging new customers.

c) The root of relationship – values of customer

All of this will lead to the mutual benefit for ILA and customers and increase the trust which ILA built for years in customers.

d) Improve communication skill to get better customer service

Communication is central to any successful relationship, it needs to be consistent and high quality; as determined by: (1) on time, (2) focused, (3) relevant, (4) reliable, (5) coherent. The communication system must also encourage and facilitate honest and actionable feedback. Feedback from customers - especially complaints - are essential for good organizational performance and ongoing development.

### **3.2 Improve Customer relationship software**

#### **3.2.1 It is not necessary to use complicated solution when simple solution does**

Some of these functions are very good in use, ILA should not high-tech when low-tech do. Functions that very helpful are: Profile (Student profile, Teacher profile, Company profile, ILA gift voucher, Class profile, Level testing, Room booking); Academic management (Books, Attendance, Teacher comment, Results, Telesales, Waiting list, Booking list); Profile management (Placement test, Sign up, Payment, Termination, Refund, Sales target); Report (Customer satisfaction survey- teacher evaluation, Customer satisfaction survey summary, Potential school report, New sign up, Stop student, Telesales by sale campaign, Re-enrolment, etc)

### 3.2.2 Employees at all level can collect information

Schoolsoft software deficiencies and significant features being released data entry errors sometimes cause confusion for employees in the sales process for customers. Through updated customer relationship system, customer information will be updated and stored in database system by any staff. In addition, companies can handle the problems of customers quickly and efficiently because staff has the authority to access Schoolsoft to find information.

### 3.2.3 Tools should be customer-employee friendly

For more convenience, ILA should improve Schoolsoft, functions would be redefined into sections as below:

A. Support business: support for the business processes of enterprises from obtaining customer information, customer classification to record transactions with customers.

*Personal info needs adding*: (1) The previous English center which that student attend (2) The placement test result (3) Complaint history (4) Relatives – Sponsors needs adding the function of exporting the report to list how many families, relatives studying at ILA (5) Loyalty programme and ILA gift voucher need inputting manually function (6) Other functions such as Telesales info, Education info, Finance info work very well until now, however, the achieved score should be added into Education info of that student.

*Class profile* item should be added two charts: (1) control the operation cost and (2) calculation of profit.

#### B. Support Marketing activities

Marketing applications generally come with predictive analytics to improve segmentation and targeting, and features for measuring the effectiveness of campaign. With reports of visitors, students who just take placement test, alumni, etc; marketer could have the source for estimate the cost, time and success of campaign.

#### C. Working schedule – Work flexibility

With this feature, ILA can build itself a team of sales people can work while maintaining the tight control. Manager should select some Key Performance Index and add into Schoolsoft. Schoolsoft should be re-designed to add new functions:

##### (1) Task List

Item	Authority	KPI/Purpose
Assign work	Top Manager, Middle Managers,	KPI: Right process; Right policy; Right

	Supervisors, Senior consultants	people; Right time; Practical target
To reject or accept assignments	Middle Managers, Supervisors, Senior Consultants, staff	KPI: Number of reject/accept assignments
Monitoring progress of work	Top Manager, Middle Managers, Supervisors, Senior consultants, staff (cross check)	Purpose: Evaluating job performance

(2) Management of individual work:

Item	Authority	KPI/Purpose
New task Deadline	Top Manager, Middle Managers, Supervisors, Senior consultants, staff	Purpose: Remind deadline of each task
The work being done	Top Manager, Middle Managers, Supervisors, Senior consultants, staff	KPI: Number of work done/pending; Meet deadline; ( Some examples for details: <i>For Programme Advisors</i> : Number of visitors is record; The accuracy of information recorded; Number of calling; Number of students who paid; The average class size. <i>For English language training</i> : Number of class opened; Usage of rooms; Percentage of teaching hours; Percentage of re-enrolment; Class attendance
View ILA's overall schedule	All	Purpose: Comprehend current operation
Add note and share	All	Purpose: any staff can

note		answer when being asked by customers
Upload, share, attach documents	Top Manager, Middle Managers, Supervisors, Senior consultants	Purpose: Being aware of news, changes, introductions, remarkable points, etc

### 3.2.4 Report data need to be used, use data reported

Shoolsoft should export reports which manager can: (1) View the work of the unit / subordinates; (2) See staff report of the week, month, quarter, year and compare with the same period last year. Relevant analytics capabilities are often interwoven into applications for sales, marketing, and service, for example, Loyal customer list.

*Report analyzes the numbers for visual*

This function supports the prediction by a series of reports built was built in three formats: (1) The statistical report: table type to filter by multiple criteria (2) The report chart is built using the visual chart types, filter criteria for each specific request. The chart should be aesthetic, fast processing speed and flexibility to display data (3) The custom report: This is the report by the user can select data filter criteria, each of the options displayed on the report and save your own reports to quickly see when needed.

**Benefit of new Shoolsoft :** (1) Managing student information (2) Management program (3) Management courses (4) Classroom Management

### 3.3. Applying CRM model in improving CRM in getting, maintain and growing customers.

#### 3.3.1 CRM in getting and growing customers activities

##### 1.3.1.1 Create database

##### A. CRM through Branding activities

(1)Daily and weekly newspapers are an incredible source of contact information and leads to potential customers. ILA can organize some English games on newspaper. The recipients could be asked to fill name, email, cell phone number beside their answers. Send those people personalized mailings letting them know the benefits of what ILA sell, and congratulate them on their success. (2)Logo and slogan of ILA should be appeared at right time and right place. ILA also should redesign website and brochures to be more friendly and clearer.

## **B. CRM through Public relations activities**

(1)Contact the organizers of the event and offer to give away your product or service as a prize (2)Follow up after meetings or events (3) Give away free service such as Library Card ask the recipients to tell their friends if they are pleased. Overall, after getting potential contacts, ILA could arrange them into categories or stored into different events.

### **1.3.1.2 Analyzing database, selecting customers and tools to target customers**

#### **A. Analyze database**

With report system which is visualized and illustrated, ILA manager can see the most profitable prospects from different groups through some factors such as: (1) Financial ability (2) Current English level (3) History of English training (former English training centers, numbers of year learning English) (4) Age (5) Occupation

This database needs attention on criticizing what customers can bring to ILA in term of profit. Lifetime customer value or LCV of future customers just could be estimate. This obviously requires assumptions about future purchasing, product and marketing costs, how long the customer can be expected to remain with the firm.

#### **B. Select new customers**

Depending on nature of services, ILA should has it own kind of customer selection types. With future customers, from estimation, ILA could eliminate customers that are too costly to serve relative to the revenues being produced. ILA should focus on about 20% analyzed list, who could bring ILA majority of profit. From raw data, ILA could filter who has true demand about English.

#### **C. Tools to get customers**

In this stage, ILA should pay 80% attention on approaching 20% of profitable customers. The main spirit of every telesales conversation, email or direct sales should be qualified and standardized. Depending on each situation, trained consultant (sales person) should give advice flexibly but still be in standard. For customers who need quite unique demand, personal sales should be the best method. Beside catching their demand, that sale staff is also the representative of ILA in front of customers and the clue of future relationship network with other upper-class customers.

### **3.3.2. CRM in maintaining customers – Building relationships**

#### **3.3.2.1. Proactive Customer service**

##### **A. Using IDIC model**

Identify customers: Enterprises need to know each customer in as much details as possible – including the habits, preferences, and other characteristics that make each customer unique. Programme Advisor should practice the recognizing ability to train their brain in marking people face, their special issue, etc.

Differentiate customers: Customers represent different levels of value to the enterprise and they have different needs from the enterprise. Keep in mind different customers focus on different aspects of what business does and how ILA does it. ILA should develop some profiles of what various customers want. That feeling makes customers more important and they would have the thought of this programme is composed for their demand, it is for them, really for them.

Interact with customers: Communications must be judged most vitally by the reaction of the receiver. The information contained in a CRM system allows communication to be directed at the correct audience, in the correct way. The communication system must also encourage and facilitate honest and actionable feedback. If ILA do well it, it will reduce the time for answering all customers who come never at the same time.

Customize treatment: The enterprise should adapt some aspect of its behavior toward a customer, based on that individual's needs and value. This might entail mass-customizing a product or tailoring some aspect of its service. The attitude of staff should be nice to every customers. This cannot be trained all cases, it depends on staff's cleverness after workshops and meetings.

B. Service extends beyond the buyers

ILA should offer both Online-report and report book for those who are familiar and not familiar with computers. ILA should spend the last lesson on communication between parents and teachers. 5 minutes for one parent do not cost ILA much money but bring the loyalty.

C. Service and sales on the same team

Programme Advisor (sales people) is the person bring new customers, Programme Officer is the person turn new customers into loyal customers. The truth is that to win the game of business, sales and service have to be playing on the same team. The phrase service/sales can serve as a reminder for both groups that ILA win only when they work together.

### **3.3.2.2. Loyalty programmes**

Loyalty schemes can be expensive, but it can provides detailed information on customers buying habits. ILA should change the policy about promotion and discount for old students. Discounts and “introduce a friend” offer



attract customers to return, and encourage the development of loyalty. Shopping voucher, books voucher, gift voucher should be reward to customers basing on the unit of dong they spent in ILA. This kind of bonus is not new but it still work well toward children, even some parents consider voucher as a present for their child's study progress.

### **3.3.2.3 Customization**

Customization is not a simple task because it depends on both ILA and customers' condition. Before offering a customized programme, ILA should: (1) Knowing what customers want and need - which enables ILA to focus production and service efforts (2) Knowing which products or customers have most growth potential - which enables ILA to focus on developing highest potential (3) Knowing which products or customers are most or least profitable - which enables ILA to focus on maximizing profit (4) Knowing which customers will be advocates and supporters - which enables ILA to provide references, case studies, and to safely test new products and services.

### **3.3.2.4. Community**

ILA should establish networks and relationships which are called community to take a prospective relationship with ILA English programmes and turn them into more personal. Online community (Internet – e-network) and Offline community (social events, charity)

### **3.3.3 Privacy**

With professional organization like ILA, the professional ethics should be respect strictly. The two sides signed a pledge not to disclose confidential information from customers for any individual or organization. ILA staff should follow work ethic.

### **3.3.4 Metric for measuring the success of CRM**

Measuring CRM gives ILA manager a better idea of how CRM policies and programmes are working. With the support of new School soft, data in reports are accuracy and straightforward. Every items which are listed below should be estimated and recorded monthly, quarterly and annually:

Issue	Academic	Business
Number of students per class	Suitable for student oriented teaching method	Increase revenue; Utilize salary budget for teachers; Utilize building rental and other fixed cost; Measure loyalty

Number of people taking Placement test	Estimate teaching hours and arrange teacher for new class	Increase new sales
Number of visitors, outside calling, mails, web, Facebook, etc	Show teaching quality; Enhance reputation	Practical Branding and PR; Customer acquisition cost

All of these measures imply a better job acquiring and processing internal data to focus on how ILA is performing. The success of CRM should be measured basing on both academic and business aspect. Dividing matters or phenomenon into small parts would help ILA to see the real problems, where mistakes are to fix them and measure what ILA did to develop good points and eliminate bad points.

## **CONCLUSION**

Customer relationship management is extremely important in the corporate setting, in its very essence, should be placed at the heart of managing the whole enterprise itself. Being aware of that fact, CRM was chosen to research in this thesis, focused on its current conditions of ILA. The development and success of ILA base on the CRM and people who create CRM in ILA. This thesis named "A study on Customer relationship management of ILA" is expected to be a useful reference for ILA and other training organization running in this non-smoking field.

In this thesis, literatures relevant to CRM was reviewed and suitable recommendations were picked up carefully. The research process is illustrated in details as well. Using the results of the conducted survey and interviews, current situations of CRM in ILA were analyzed and assessed, then existing problems were pointed out with their causes. The paper continues with necessary and feasible solutions to improve the CRM in ILA.

This graduation thesis was written with my highest possible capacity applying knowledge and trained skills. However, there are still certain limitations of my writing that hope to achieve comments from professors and colleagues to be better.

Sincerely thank you.